

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Metro City Bank

Point of Contact:	Farid Tan	RSSD: (For Bank Holding Companies)	NA
UST Sequence Number:	601	Docket Number: (For Thrift Holding Companies)	NA
CPP/CDCI Funds Received:	7,700,000	FDIC Certificate Number: (For Depository Institutions)	58181
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	January 30, 2009	City:	Doraville
Date Repaid ¹ :	N/A	State:	Georgia

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Our total loans outstanding increased by 8.8 million dollars during 2011, almost all of this increase was the participation of Metro City Bank in the SBA and USDA Government Loan Guarantee Program.

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X To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

Almost 100% of the increase was due to our participation in the SBA and USDA loan programs mentioned above.

X Increase securities purchased (ABS, MBS, etc.).

Our investment in Tax Free Municipal bonds increased by 6.6 million dollars.

☐ Make other investments.

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☒ **Increase reserves for non-performing assets.**

Allowance for loan losses was increased by 281 thousand dollars.

☐ **Reduce borrowings.**

☒ **Increase charge-offs.**

Charge offs increased by 815 thousand dollars which was partially covered by the increase in the allowance.

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<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution.
Empty space for response	

<input type="checkbox"/>	Held as non-leveraged increase to total capital.
Empty space for response	

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

We were able to decrease our dependency ratio on non core deposits by 25% or \$18,887,000 and our liquidity ration improved from 14% to 22% without having to raise capital through an additional offering.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

Were able to continue to seek quality loans and, meet the loan demand and serve the needs of our community, and to continue to be a profitable financial institution.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.